# YUKON UTILITIES BOARD
# 2012-13 ANNUAL REPORT

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## THE BOARD

The Yukon Utilities Board was established pursuant to the *Public Utilities Act,* Revised Statutes, 1986. c. 143, as amended. Section 2 of the Act defines the Board as comprised of not less than three and not more than five members. Section 4 provides for the appointment of a substitute member to act in the absence of a member of the Board. The Chair, Vice-Chair and members are appointed by the Minister of Justice for terms of three years. Members can also be appointed to serve subsequent terms, at the discretion of the Minister of Justice.

The Board office is located at Unit 19, 1114 First Avenue (second floor of the Horwood's Mall) in Whitehorse, Yukon. Our mailing address is:

Yukon Utilities Board
Box 31728
Whitehorse, Yukon Y1A 6L3

Phone (867) 667-5058
Fax (867) 667-5059
E-mail yub@utilitiesboard.yk.ca

The Board retains independent legal advisors and qualified technical consultants, and it contracts with a part-time Executive Secretary.

The Board regulates two electrical utilities in the Yukon, the Yukon Energy Corporation (YEC) owned by the Government of Yukon, and the privately owned Yukon Electrical Company Limited (YECL). The Board carries out such other functions as are required by the *Public Utilities Act* and as directed by the Minister of Justice as ordered through the territorial government's Orders-in-Council.

Under Section 52 of the *Public Utilities Act*, and following the principles of natural justice, the Board may, with respect to an inquiry:

- exercise the exclusive jurisdiction and authority to determine any question of fact, law or mixed fact or law required to be decided;
- receive such evidence or other information as it considers appropriate, whether or not such evidence is given under oath or affirmation, and whether or not it would be admissible in a court of law;
- exercise the powers, privileges, and immunities of a Board of Inquiry under the *Public Utilities Act*;
- determine the persons to whom notice of any proceedings shall be given; and
- determine its own procedures.

Board Orders are reviewable by the Yukon Court of Appeal.

The Board's authority includes carrying out investigations and reviews at the request of the Minister of Justice pursuant to the *Public Utilities Act*, namely Regulation of Public Utilities (Part II) and the regulation of Energy Projects (Part III). The Board is also empowered to investigate complaints and initiate investigations it deems necessary in the interest of ratepayers generally (Part IV).

Funding for public hearings can only be authorized by the Minister of Justice.

## MEMBERSHIP

Board membership during the reporting period consisted of:

| | |
|---|---|
| Chair | Bruce McLennan |
| Vice-Chair | Robert Laking |
| Member | Naresh Prasad |
| Member | André Fortin (as of May 2, 2012) |
| Member | Richard Hancock (ended June 9, 2012) |

## BOARD SUPPORT

Board Support during this reporting period was provided by:

| | |
|---|---|
| Executive Secretary | Deana Lemke, Beyond Words Business Services<br>Whitehorse, Yukon |
| Technical Support | Alberta Utilities Commission |
| Regulatory Legal Support | Alberta Utilities Commission |

## THE YEAR IN REVIEW

### Board Meetings

There were 19 Board meetings in this fiscal year, held on the following dates:

May 1-4, 2012
May 21, 2012
June 17-20, 2012
June 25-28, 2012
July 12-13, 2012
August 9, 2012
August 21, 2012
August 21-22, 2012
September 29 to October 6, 2012
October 15-17, 2012
October 31 to November 5, 2012
November 11, 2012
November 15, 2012
December 13, 2012
December 21, 2012
February 21, 2013
February 28, 2013
March 8, 2013
March 21-24, 2013

## CANADIAN ASSOCIATION OF MEMBERS OF PUBLIC UTILITY TRIBUNALS (CAMPUT)

The Yukon Utilities Board continues to be an active member of the Canadian Association of Members of Public Utilities Tribunals (CAMPUT). The Board relies on CAMPUT and the Alberta Utilities Commission to be the primary provider of Board member training.

Chair Bruce McLennan and Vice-Chair Bob Laking attended the World Forum on Energy Regulation in Quebec City, QC May 13 to 16, 2012. The forum was a CAMPUT-sponsored event and replaced the regular annual CAMPUT conference in 2012. The theme of the forum was "Striking a Balance in the Midst of Change". It provided a unique opportunity for regulatory experts, decision-makers and key players in the energy sector to examine the latest developments, best practices, and the future of energy regulation. The presentations provided a global perspective of the work of energy regulatory from various countries across the world.

Chair Bruce McLennan attended the CAMPUT Conference and Annual General Meeting in Saskatoon, SK September 17 to 19, 2012.

Board members Andre Fortin and Naresh Prasad attended the CAMPUT Energy Regulation Course in Kingston, ON July 29 to August 3, 2012.

## PROCEEDINGS

The Board was involved in the following proceedings during this fiscal year:

### Yukon Energy Corporation General Rate Application

The Board received a General Rate Application (GRA) from Yukon Energy Corporation, requesting an order approving a forecast revenue requirement for the 2012 and 2013 test years, an interim refundable rate rider effective July 1, 2012, and implementation of overall rate adjustments through implementation of Rider J and Rider R. The GRA proposed a revenue requirement of $39,857,000 for 2012, representing an increase over revenues from existing rates and riders of $3,455,000 or 9.5%. For 2013, YEC proposed a revenue requirement of $45,641,000, representing an increase over the proposed 2012 revenue requirement of $5,784,000, or 14.6%.

YEC requested Board approval for 2013 interim refundable rates, and the Board subsequently approved, on a refundable basis, an interim rate adjustment of 3.75% for firm retail and industrial customers through implementation of Rider R effective January 1, 2013.

An oral public hearing was held November 12 through 14, 2012 during which the Board considered extensive evidence and written argument and reply argument of the parties respecting YEC's application. On March 25, 2013, the Board issued its decision approving the 2012 and 2013 revenue requirement for YEC. Compliance filing and hearing cost issues were carried on to the next fiscal year.

**For more information on the above-noted proceedings, please refer to the original submissions and Board Orders located on the Board's website:**
**http://yukonutilitiesboard.yk.ca/proceedings/**

## Rules of Practice review

The Board is completed a review of its Rules of Practice and Scale of Costs which were implemented in 1995. In response to the Board's invitation for comments on the Rules of Practice and potential amendments, the Board received submissions from YEC, YECL, UCG and John Maissan (Leading Edge). The Board revised its Rules of Practice, including the Scale of Costs and issued them on October 19, 2012. The revised Rules of Practice can be viewed on the Board's website at:
http://yukonutilitiesboard.yk.ca/policy/policy-and-procedures/

## BOARD ORDERS

Below is a summary of Board Orders approved by the Board during this reporting period. All Board Orders can be viewed on the Board's website at http://yukonutilitiesboard.yk.ca/policy/board-orders/

| Order No. | Date | Order |
|---|---|---|
| 2012-03 | May 4, 2012 | YEC GRA Proceeding Schedule |
| 2012-04 | May 22, 2012 | YEC GRA Proceeding Interveners, interim rate process |
| 2012-05 | June 7, 2012 | YEC GRA Interim Refundable Rates approval |
| 2012-06 | June 28, 2012 | YEC GRA Proceeding schedule revision |
| 2012-07 | July 13, 2012 | YEC GRA Proceeding schedule revision |
| 2012-08 | August 22, 2012 | YEC GRA Proceeding IR Responses and Schedule |
| 2012-09 | October 19, 2012 | YUB Rules of Practice, Scale of Costs Approval |
| 2012-10 | November 5, 2012 | YEC interim refundable rate approval |
| 2013-01 | March 25, 2013 | YEC 2012-13 GRA Decision |